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How to Grow Your Business Without Borrowing

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In general, you can grow a company without borrowing (or with minimum borrowing) by expanding through profits. Profits should therefore be considered the very basis for growth.

* As your company grows, allocate profits primarily for products and services that have proven to be profitable. When a particular line of products succeeds, expand sales in that line rather than other lines. Consequently, operations and marketing will be more cost-effective, maximizing your company's profits.

* New products and services should relate to existing fields, otherwise you must re-invent operations and marketing. If a new product meshes with a company's existing consumer base, you will not have to market to a new type of customer.

* As your business grows, its structure will naturally evolve. You may therefore need to devote more time to non-income-producing activities (internal operations such as bookkeeping and human resources). These activities are vital to growth but can detract from profitability when not handled effectively. Always streamline internal operations and stay focused on your company's core competencies.

* Many small business owners avoid borrowing. If you do so, your company can still grow, but may do so at a slower pace. Work with financial and business advisers who will increase and capture profits, streamline and economize internal operations, increase the per-dollar return on marketing and guide your business as it expands.

* The following books offer valuable suggestions about running a small business.

1. "The Profit Zone: How Strategic Business Design Will Lead You to Tomorrow's Profits" by Adrian J. Slywotzky, David J. Morrison, Bob Andelman(Contributor), Adrian J. Slywotsky, \$25.00, Times Books.
2. "Double Your Profits in 6 Months or Less: 78 Ways to Cut costs, Increase Sales & Dramatically Improve Your Bottom Line" by Bob Fifer, \$13, Harper Business.

Here's an excerpt from the book's cover: "This profit-boosting guide presents seventy-eight key insights that are notable for their aggressive approach. You'll be able to cut costs to the bone, send productivity through the roof, and double your profits in the space of only six months."

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